



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2010
OF THE CONDITION AND AFFAIRS OF THE

Priority Health Government Programs, Inc.

NAIC Group Code	3383	3383	NAIC Company Code	11520	Employer's ID Number	32-0016523
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health []		Property/Casualty []		Hospital, Medical & Dental Service or Indemnity []	
	Dental Service Corporation []		Vision Service Corporation []		Health Maintenance Organization [X]	
	Other []		Is HMO, Federally Qualified? Yes [] No [X]			
Incorporated/Organized	06/03/2002		Commenced Business		10/01/2002	
Statutory Home Office	1231 East Beltline NE			Grand Rapids, MI 49525-4501		
	(Street and Number)			(City, State and Zip Code)		
Main Administrative Office	1231 East Beltline NE		Grand Rapids, MI 49525-4501		616-942-0954	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	1231 East Beltline NE		Grand Rapids, MI 49525-4501			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	1231 East Beltline NE		Grand Rapids, MI 49525-4501		616-464-8926	
	(Street and Number)		(City, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.priority-health.com					
Statutory Statement Contact	Kristy Lynn Shoemaker			616-464-8926		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	kristy.shoemaker@priority-health.com			616-942-7916		
	(E-Mail Address)			(Fax Number)		

OFFICERS

Name	Title	Name	Title
Kimberly K Horn	President / Chief Executive Officer	Gregory A Hawkins	Treasurer / Chief Financial Officer
Kimberly L Thomas #	Secretary		

OTHER OFFICERS

James F Byrne	Vice President		
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DIRECTORS OR TRUSTEES

Elizabeth Baxter #	Nicole Buchanan #	James F Byrne	Gregory A Hawkins
Kimberly K Horn	James S Slubowski		

State of Michigan
County of Kent ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kimberly K. Horn President / Chief Executive Officer	Gregory A. Hawkins Treasurer / Chief Financial Officer	Kimberly L. Thomas Secretary
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Subscribed and sworn to before me this _____ day of November, 2010

a. Is this an original filing? Yes [X] No []

b. If no,

1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

Catherine H. Sochanek, Executive Administrative Assistant
05/12/2016

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	1,123,621		1,123,621	1,061,400
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$13,202,062), cash equivalents (\$0) and short-term investments (\$19,740,069)	32,942,131		32,942,131	29,659,878
6. Contract loans (including \$premium notes)			0	0
7. Derivatives			0	
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	34,065,752	0	34,065,752	30,721,278
12. Title plants less \$charged off (for Title insurers only)			0	0
13. Investment income due and accrued	135,352		135,352	259,638
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	391,395		391,395	1,369,658
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums)			0	0
14.3 Accrued retrospective premiums			0	0
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers			0	0
15.2 Funds held by or deposited with reinsured companies			0	0
15.3 Other amounts receivable under reinsurance contracts			0	0
16. Amounts receivable relating to uninsured plans			0	0
17.1 Current federal and foreign income tax recoverable and interest thereon			0	0
17.2 Net deferred tax asset			0	0
18. Guaranty funds receivable or on deposit			0	0
19. Electronic data processing equipment and software			0	0
20. Furniture and equipment, including health care delivery assets (\$)			0	0
21. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
22. Receivables from parent, subsidiaries and affiliates	138,776		138,776	182,277
23. Health care (\$1,169,653) and other amounts receivable	1,296,174	126,521	1,169,653	1,711,301
24. Aggregate write-ins for other than invested assets	0	0	0	0
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	36,027,449	126,521	35,900,928	34,244,152
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
27. Total (Lines 25 and 26)	36,027,449	126,521	35,900,928	34,244,152
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)	0	0	0	0
2401.				
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498)(Line 24 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded)	13,839,707		13,839,707	14,530,729
2. Accrued medical incentive pool and bonus amounts	449,425		449,425	313,404
3. Unpaid claims adjustment expenses	158,112		158,112	163,414
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	855,586		855,586	365,735
9. General expenses due or accrued	34,437		34,437	288,553
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	2,105,187		2,105,187	1,919,859
16. Derivatives			0	
17. Payable for securities			0	0
18. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
19. Reinsurance in unauthorized companies			0	0
20. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
21. Liability for amounts held under uninsured plans			0	0
22. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
23. Total liabilities (Lines 1 to 22)	17,442,454	0	17,442,454	17,581,694
24. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
25. Common capital stock	XXX	XXX	10,000	10,000
26. Preferred capital stock	XXX	XXX		0
27. Gross paid in and contributed surplus	XXX	XXX	11,326,879	11,326,879
28. Surplus notes	XXX	XXX		0
29. Aggregate write-ins for other than special surplus funds	XXX	XXX	1,000,000	1,000,000
30. Unassigned funds (surplus)	XXX	XXX	6,121,595	4,325,579
31. Less treasury stock, at cost:				
31.1 shares common (value included in Line 25) \$)	XXX	XXX		0
31.2 shares preferred (value included in Line 26) \$)	XXX	XXX		0
32. Total capital and surplus (Lines 24 to 30 minus Line 31)	XXX	XXX	18,458,474	16,662,458
33. Total liabilities, capital and surplus (Lines 23 and 32)	XXX	XXX	35,900,928	34,244,152
DETAILS OF WRITE-INS				
2201.				
2202.				
2203.				
2298. Summary of remaining write-ins for Line 22 from overflow page	0	0	0	0
2299. Totals (Lines 2201 through 2203 plus 2298) (Line 22 above)	0	0	0	0
2401.	XXX	XXX		
2402.	XXX	XXX		
2403.	XXX	XXX		
2498. Summary of remaining write-ins for Line 24 from overflow page	XXX	XXX	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	XXX	XXX	0	0
2901. Appropriated Retained Earnings	XXX	XXX	1,000,000	1,000,000
2902.	XXX	XXX		
2903.	XXX	XXX		
2998. Summary of remaining write-ins for Line 29 from overflow page	XXX	XXX	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	XXX	XXX	1,000,000	1,000,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	568,767	535,167	720,885
2. Net premium income (including \$0 non-health premium income).....	XXX	134,394,167	128,181,530	174,350,811
3. Change in unearned premium reserves and reserve for rate credits	XXX		.0	.0
4. Fee-for-service (net of \$ medical expenses)	XXX		.0	.0
5. Risk revenue	XXX		.0	.0
6. Aggregate write-ins for other health care related revenues	XXX	.0	(2,222,411)	(2,203,803)
7. Aggregate write-ins for other non-health revenues	XXX	.0	.0	.0
8. Total revenues (Lines 2 to 7)	XXX	134,394,167	125,959,119	172,147,008
Hospital and Medical:				
9. Hospital/medical benefits		86,206,359	81,691,162	108,552,013
10. Other professional services		28,935	98,228	101,723
11. Outside referrals		2,783,222	2,778,022	3,890,555
12. Emergency room and out-of-area		6,055,304	5,950,722	7,917,213
13. Prescription drugs		15,578,794	15,210,219	20,819,811
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....		471,230	448,318	344,563
16. Subtotal (Lines 9 to 15) .....	.0	111,123,844	106,176,671	141,625,878
Less:				
17. Net reinsurance recoveries .....		.0	.0	.0
18. Total hospital and medical (Lines 16 minus 17) .....	.0	111,123,844	106,176,671	141,625,878
19. Non-health claims (net).....		.0	.0	.0
20. Claims adjustment expenses, including \$ 1,417,985 .....cost containment expenses.....		3,586,667	3,918,617	5,153,086
21. General administrative expenses.....		12,868,357	9,829,834	15,411,435
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		.0	.0	.0
23. Total underwriting deductions (Lines 18 through 22) .....	.0	127,578,868	119,925,122	162,190,399
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	6,815,299	6,033,997	9,956,609
25. Net investment income earned		80,522	298,293	344,908
26. Net realized capital gains (losses) less capital gains tax of \$.....		715	.0	3,001
27. Net investment gains (losses) (Lines 25 plus 26) .....	.0	81,237	298,293	347,909
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$ ..... ) .....		.0	.0	.0
29. Aggregate write-ins for other income or expenses .....	.0	.0	.0	.0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	6,896,536	6,332,290	10,304,518
31. Federal and foreign income taxes incurred	XXX	.0	.0	.0
32. Net income (loss) (Lines 30 minus 31)	XXX	6,896,536	6,332,290	10,304,518
DETAILS OF WRITE-INS				
0601. QAAP Assessment.....	XXX	.0	(2,222,411)	(2,203,803)
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	(2,222,411)	(2,203,803)
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	.0	.0	.0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page .....	.0	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. ....			.0	.0
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page .....	.0	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
CAPITAL AND SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	16,662,458	18,057,672	18,057,672
34. Net income or (loss) from Line 32	6,896,536	6,332,290	10,304,518
35. Change in valuation basis of aggregate policy and claim reserves		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0	0
37. Change in net unrealized foreign exchange capital gain or (loss)		0	0
38. Change in net deferred income tax		0	0
39. Change in nonadmitted assets	(100,520)	(303,083)	50,268
40. Change in unauthorized reinsurance	0	0	0
41. Change in treasury stock		0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles		0	0
44. Capital Changes:			
44.1 Paid in		0	0
44.2 Transferred from surplus (Stock Dividend)		0	0
44.3 Transferred to surplus		0	0
45. Surplus adjustments:			
45.1 Paid in	0	0	(423,121)
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital		0	0
46. Dividends to stockholders	(5,000,000)	0	(11,326,879)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	1,796,016	6,029,207	(1,395,214)
49. Capital and surplus end of reporting period (Line 33 plus 48)	18,458,474	24,086,879	16,662,458
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	135,862,281	127,672,149	173,159,568
2. Net investment income.....	219,369	397,846	340,091
3. Miscellaneous income.....	(162,475)	(1,793,600)	(2,675,332)
4. Total (Lines 1 to 3).....	135,919,175	126,276,395	170,824,327
5. Benefit and loss related payments.....	111,075,243	105,657,714	140,327,062
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	16,714,442	14,017,043	20,535,736
8. Dividends paid to policyholders.....		0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9).....	127,789,685	119,674,757	160,862,798
11. Net cash from operations (Line 4 minus Line 10).....	8,129,490	6,601,638	9,961,529
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	1,050,000	0	0
12.2 Stocks.....	0	0	0
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	715	167	3,001
12.7 Miscellaneous proceeds.....	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,050,715	167	3,001
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	1,126,781	0	0
13.2 Stocks.....	0	0	0
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	0	167	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,126,781	167	0
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(76,066)	0	3,001
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0	(423,121)
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		0	0
16.5 Dividends to stockholders.....	5,000,000	0	11,326,879
16.6 Other cash provided (applied).....	228,829	226,485	349,354
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(4,771,171)	226,485	(11,400,646)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	3,282,253	6,828,123	(1,436,116)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	29,659,878	31,095,994	31,095,994
19.2 End of period (Line 18 plus Line 19.1).....	32,942,131	37,924,117	29,659,878

STATEMENT AS OF SEPTEMBER 30, 2010 OF THE Priority Health Government Programs, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION										
	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	62,884	1,662	.0	.0	.0	.0	.0	.0	.61,222	.0
2 First Quarter	62,439	1,747	.0	.0	.0	.0	.0	.0	.60,692	.0
3 Second Quarter	63,895	1,799	.0	.0	.0	.0	.0	.0	.62,096	.0
4. Third Quarter .....	.0									
5. Current Year .....	.0									
6 Current Year Member Months	568,767	15,632							.553,135	
Total Member Ambulatory Encounters for Period:										
7. Physician	436,886	5,876	.0						.431,010	
8. Non-Physician	45,598	.613							.44,985	
9. Total	482,484	6,489	.0	.0	.0	.0	.0	.0	.475,995	.0
10. Hospital Patient Days Incurred	10,315	.55							.10,260	
11. Number of Inpatient Admissions	2,745	15							.2,730	
12. Health Premiums Written(a)	128,325,560	1,315,667							.127,009,893	
13. Life Premiums Direct .....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned	128,181,530	1,313,830							.126,867,700	
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services	111,232,640	.962,271							.110,270,369	
18. Amount Incurred for Provision of Health Care Services	111,123,844	1,014,070							.110,109,774	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$0

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UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	220,681	768,838	1,552	230,891	222,233	216,403
2. Medicare Supplement .....					.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan .....					.0	.0
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid	14,542,942	97,703,464	90,840	13,516,424	14,633,782	14,314,326
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	14,763,623	98,472,302	92,392	13,747,315	14,856,015	14,530,729
10. Healthcare receivables (a)	576,072	1,762,424		129,866	576,072	576,072
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts	335,210			449,425	335,210	313,404
13. Totals	14,522,761	96,709,878	92,392	14,066,874	14,615,153	14,268,061

(a) Excludes \$0 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

The statutory-basis financial statements of Priority Health Government Programs, Inc. are prepared in accordance with the *Accounting Practices and Procedures Manual* published by the National Association of Insurance Commissioners.

2. Accounting Changes and Correction of Errors

No material changes from year end disclosures.

3. Business Combinations and Goodwill

No material changes from year end disclosures.

4. Discontinued Operations

No material changes from year end disclosures.

5. Investments

No material changes from year end disclosures.

6. Joint Ventures, Partnerships and Limited Liability Companies

No material changes from year end disclosures.

7. Investment Income

No material changes from year end disclosures.

8. Derivative Instruments

No material changes from year end disclosures.

9. Income Taxes

No material changes from year end disclosures.

10. Information Concerning Parent, Subsidiaries, and Affiliates

With the approval of OFIR, the Company distributed \$5,000,000 to its parent, Priority Health, in December 2009. The entire amount was considered extraordinary.

11. Debt

No material changes from year end disclosures.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No material changes from year end disclosures.

13. Capital and Surplus, Shareholder's Dividend Restrictions, and Quasi-Reorganizations

No material changes from year end disclosures.

14. Contingencies

No material changes from year end disclosures.

15. Leases

No material changes from year end disclosures.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No material changes from year end disclosures.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

No material changes from year end disclosures.

NOTES TO FINANCIAL STATEMENTS

18. Gain of Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

No material changes from year end disclosures

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No material changes from year end disclosures.

20. Other Items

No material changes from year end disclosures.

21. Events Subsequent

No material changes from 1st quarter end disclosures.

22. Reinsurance

No material changes from year end disclosures.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

No material changes from year end disclosures

24. Change in Incurred Claims and Claim Adjustment Expenses

Adjustments to previously rendered claims reserve estimates are reflected in the statement of operations in the period in which the estimates are revised. Such reserve adjustments consist of restatements of claim estimates and release of any margin associated with these estimates. Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased by \$325,000 from \$14,531,000 in 2009 to \$14,856,000 in 2010 as a result of re-estimation of unpaid losses and loss adjustment expenses. This increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are adjusted as additional information becomes known regarding individual claims.

25. Intercompany Pooling Arrangements

No material changes from year end disclosures.

26. Structured Settlements

No material changes from year end disclosures.

27. Health Care Receivables

No material changes from year end disclosures.

28. Participating Policies

No material changes from year end disclosures.

29. Premium Deficiency Reserves

No material changes from year end disclosures.

30. Anticipated Salvage and Subrogation

No material changes from year end disclosures.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2009
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2006
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/26/2008
- 6.4

By what department or departments?
State of Michigan Office of Financial & Insurance Regulation.....
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?.....

Yes ☐ No ☐ NA ☒
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?.....

Yes ☐ No ☒
- 7.2

If yes, give full information:
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?.....

Yes ☒ No ☐
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:

.....
- 9.2

Has the code of ethics for senior managers been amended?.....

Yes ☐ No ☒
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?.....

Yes ☐ No ☒
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes ☒ No ☐
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$110,391

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ☐ No ☒
- 11.2

If yes, give full and complete information relating thereto:

.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0
13.

Amount of real estate and mortgages held in short-term investments: \$0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☐ No ☒
- 14.2

If yes, please complete the following:

		1		2
		Prior Year-End		Current Quarter
		Book/Adjusted		Book/Adjusted
		Carrying Value		Carrying Value
14.21	Bonds	\$	\$	
14.22	Preferred Stock	\$	\$	
14.23	Common Stock	\$	\$	
14.24	Short-Term Investments	\$	\$	
14.25	Mortgage Loans on Real Estate	\$	\$	
14.26	All Other	\$	\$	
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0	\$0	
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$	
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes ☐ No ☐

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes [X] No []

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Mellon Trust.....	Pittsburgh, PA.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
n/a.....	Prime Advisors.....	Bloomfield,, CT.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES
PART 2 - HEALTH

1.		1 Amount
1. Operating Percentages:		
1.1 A&H loss percent	83.7 %	
1.2 A&H cost containment percent	1.1 %	
1.3 A&H expense percent excluding cost containment expenses	11.2 %	
2.1 Do you act as a custodian for health savings accounts?	Yes [] No [X]	
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$	
2.3 Do you act as an administrator for health savings accounts?	Yes [] No [X]	
2.4 If yes, please provide the balance of funds administered as of the reporting date.	\$	

STATEMENT AS OF SEPTEMBER 30, 2010 OF THE Priority Health Government Programs, Inc.

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

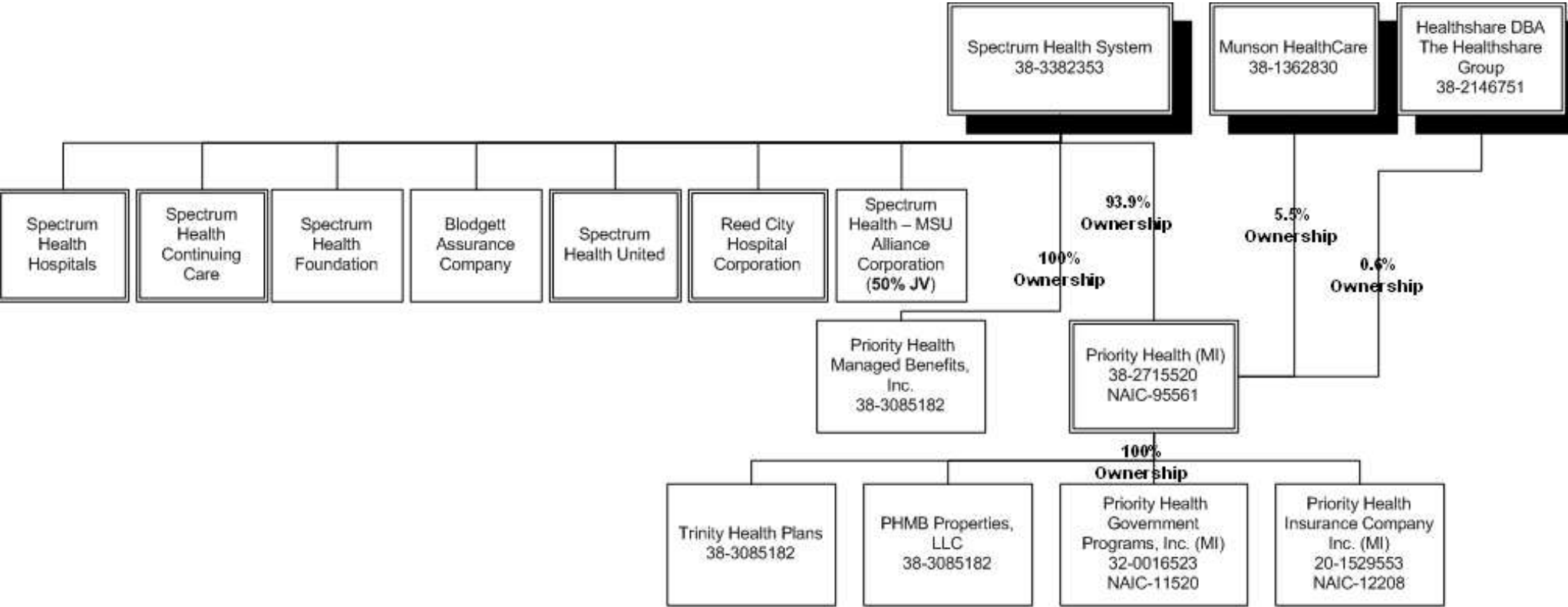
[illegible]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories									
States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N						.0	
2. Alaska	AK	N						.0	
3. Arizona	AZ	N						.0	
4. Arkansas	AR	N						.0	
5. California	CA	N						.0	
6. Colorado	CO	N						.0	
7. Connecticut	CT	N						.0	
8. Delaware	DE	N						.0	
9. Dist. Columbia	DC	N						.0	
10. Florida	FL	N						.0	
11. Georgia	GA	N						.0	
12. Hawaii	HI	N						.0	
13. Idaho	ID	N						.0	
14. Illinois	IL	N						.0	
15. Indiana	IN	N						.0	
16. Iowa	IA	N						.0	
17. Kansas	KS	N						.0	
18. Kentucky	KY	N						.0	
19. Louisiana	LA	N						.0	
20. Maine	ME	N						.0	
21. Maryland	MD	N						.0	
22. Massachusetts	MA	N						.0	
23. Michigan	MI	L	1,315,667	127,009,893				128,325,560	
24. Minnesota	MN	N						.0	
25. Mississippi	MS	N						.0	
26. Missouri	MO	N						.0	
27. Montana	MT	N						.0	
28. Nebraska	NE	N						.0	
29. Nevada	NV	N						.0	
30. New Hampshire	NH	N						.0	
31. New Jersey	NJ	N						.0	
32. New Mexico	NM	N						.0	
33. New York	NY	N						.0	
34. North Carolina	NC	N						.0	
35. North Dakota	ND	N						.0	
36. Ohio	OH	N						.0	
37. Oklahoma	OK	N						.0	
38. Oregon	OR	N						.0	
39. Pennsylvania	PA	N						.0	
40. Rhode Island	RI	N						.0	
41. South Carolina	SC	N						.0	
42. South Dakota	SD	N						.0	
43. Tennessee	TN	N						.0	
44. Texas	TX	N						.0	
45. Utah	UT	N						.0	
46. Vermont	VT	N						.0	
47. Virginia	VA	N						.0	
48. Washington	WA	N						.0	
49. West Virginia	WV	N						.0	
50. Wisconsin	WI	N						.0	
51. Wyoming	WY	N						.0	
52. American Samoa	AS	N						.0	
53. Guam	GU	N						.0	
54. Puerto Rico	PR	N						.0	
55. U.S. Virgin Islands	VI	N						.0	
56. Northern Mariana Islands	MP	N						.0	
57. Canada	CN	N						.0	
58. Aggregate other alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59. Subtotal	XXX	1,315,667	.0	127,009,893	.0	.0	.0	128,325,560	.0
60. Reporting entity contributions for Employee Benefit Plans	XXX	.0		.0				.0	
61. Total (Direct Business)	(a) 1	1,315,667	0	127,009,893	0	0	0	128,325,560	0
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered – Licensed Insurance Carrier or Domiciled RRG; (R) Registered – Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible – Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above – Not allowed to write business in the state.
(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

Explanation:

1.

Bar Code:

1.



1 1 5 2 0 2 0 1 0 3 6 5 0 0 0 0 3

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,061,401	1,079,392
2. Cost of bonds and stocks acquired	1,126,781	0
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration for bonds and stocks disposed of	1,050,000	0
7. Deduct amortization of premium	14,561	17,991
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,123,621	1,061,401
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	1,123,621	1,061,401

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	23,114,566	13,331,891	15,463,170	(119,597)	23,085,525	23,114,566	20,863,690	26,985,704
2. Class 2 (a).....	.0				.0	.0	.0	.0
3. Class 3 (a).....	.0				.0	.0	.0	.0
4. Class 4 (a).....	.0				.0	.0	.0	.0
5. Class 5 (a).....	.0				.0	.0	.0	.0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	23,114,566	13,331,891	15,463,170	(119,597)	23,085,525	23,114,566	20,863,690	26,985,704
PREFERRED STOCK								
8. Class 1 .....	.0				.0	.0	.0	.0
9. Class 2 .....	.0				.0	.0	.0	.0
10. Class 3 .....	.0				.0	.0	.0	.0
11. Class 4 .....	.0				.0	.0	.0	.0
12. Class 5 .....	.0				.0	.0	.0	.0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	23,114,566	13,331,891	15,463,170	(119,597)	23,085,525	23,114,566	20,863,690	26,985,704

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0 ; NAIC 2 \$.....0 ; NAIC 3 \$.....0 ; NAIC 4 \$.....0 ; NAIC 5 \$.....0 ; NAIC 6 \$.....0

SCHEDULE DA - PART 1

Short-Term Investments					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	19,740,069	XXX	19,969,407	616,446	11,763

SCHEDULE DA - VERIFICATION

Short-Term Investments		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	25,924,304	19,621,135
2. Cost of short-term investments acquired	30,786,878	57,803,866
3. Accrual of discount.....	1,713	55,993
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	715	3,001
6. Deduct consideration received on disposals.....	36,550,420	51,060,723
7. Deduct amortization of premium.....	423,121	498,968
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	19,740,069	25,924,304
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	19,740,069	25,924,304

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B- Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2010 OF THE Priority Health Government Programs, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

[illegible]

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

E04

STATEMENT AS OF SEPTEMBER 30, 2010 OF THE Priority Health Government Programs, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter																					
1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 + 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
912828-ED-8	US TREASURY N/B		08/15/2010	MATURITY		1,050,000	1,050,000	1,086,422	1,061,400	0	(11,400)	0	(11,400)	0	1,050,000	0	0	0	43,313	08/15/2010	
0399999	- Bonds - U.S. Governments					1,050,000	1,050,000	1,086,422	1,061,400	0	(11,400)	0	(11,400)	0	1,050,000	0	0	0	43,313	XXX	XXX
8399997	- Bonds - Part 4					1,050,000	1,050,000	1,086,422	1,061,400	0	(11,400)	0	(11,400)	0	1,050,000	0	0	0	43,313	XXX	XXX
8399999	- Total - Bonds					1,050,000	1,050,000	1,086,422	1,061,400	0	(11,400)	0	(11,400)	0	1,050,000	0	0	0	43,313	XXX	XXX
8999999	- Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799999	- Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999	- Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999 Totals						1,050,000	XXX	1,086,422	1,061,400	0	(11,400)	0	(11,400)	0	1,050,000	0	0	0	43,313	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0 .

Schedule DB - Part A - Section 1

NONE

Sch. DB - Pt. A - Sn. 1 - Footnote (a)

NONE

Schedule DB - Part B - Section 1

NONE

Sch. DB - Pt. B - Sn. 1 - Footnotes

NONE

Schedule DB - Part D

NONE

Schedule E - Part 2 - Cash Equivalents

NONE